

COUNTY OF WALKER §

CITY OF HUNTSVILLE AND HUNTSVILLE  
WALKER-COUNTY CHAMBER OF COMMERCE

STATE OF TEXAS §

TOURISM AGREEMENT

This is an agreement by and between the City of Huntsville, Texas, (City), a home-rule municipal corporation located at 1212 Avenue M, Huntsville, Texas 77340, and the Huntsville-Walker County Chamber of Commerce, a Texas not for profit corporation, located at 1327 11th Street.

I.

The City is authorized to contract with a private organization for the supervision of programs and activities funded by the local hotel-motel occupancy tax (Texas Tax Code Chapter 351).

II.

The City and Chamber agree as follows:

- A. General Agreement. The City delegates to the Chamber, and the Chamber accepts, the management and supervision of programs and activities funded with revenue from the tax authorized by Chapter 351 of the Texas Tax Code.
- B. Municipal Hotel Occupancy Taxes. Unless specifically provided in writing otherwise, all funds paid to the Chamber under this contract are funds derived from the tax authorized by Chapter 351 of the Texas Tax Code.
- C. Separate Funds Required. The Chamber shall maintain all revenue provided by the City from the tax authorized by Chapter 351 of the Texas Tax Code in a separate account established for that purpose and shall not commingle that revenue with any other money. § 351.101(c).
- D. Fiduciary Duty. The Chamber acknowledges a fiduciary duty with respect to the revenue provided by the City to the Chamber under this contract.
- E. Financial Records Required. The Chamber agrees to maintain complete and accurate financial record of each expenditure of hotel occupancy tax revenue made by it.
- F. Open Records Required. The Chamber agrees to make all its financial records related to hotel occupancy tax revenue available for inspection and review of the City or any other person.
  - (1) On application for financial records related to hotel occupancy tax revenue, the Chamber shall promptly produce such information for inspection or duplication, or both, in its offices at 1327 11th Street.

- (2) If the information is in active use or in storage and, therefore, not available at the time a person asks to examine it, the Chamber shall state this in writing to the applicant and set a reasonable time when the records will be available.
- (3) The Chamber shall make such records available for inspection at no fee; the Chamber may charge a person for duplicate copies of the records, a fee not in excess of the fee that would be charged by the City for similar types of copies of records.
- (4) Within a reasonable time, the Chamber shall give written notice to the City Attorney if it fails to make records related to this contract available for inspection upon the request of any person.

G. Subcontracting Permitted. The Chamber may subcontract or make subgrants under its services under this contract provided that:

- (1) the subcontracts or subgrants are made by written contract; and
- (2) the subcontractor or subgrantee makes at least an annual report to the City of its expenditures of hotel occupancy tax money, and makes its records of its expenditures hotel occupancy tax monies available for review by the City or any person.

### III.

A. Permitted Uses. The Chamber agrees to use hotel tax occupancy revenues received under this contract only to promote tourism and the convention and hotel industry, and that use is limited to the following:

- (1) the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both;
- (2) the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
- (3) advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the City of Huntsville or its vicinity; and
- (4) historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums:
  - a. at or in the immediate vicinity of convention center facilities or visitor information centers; or
  - b. located elsewhere in the City or its vicinity that would be frequented by tourists and convention delegates.

- B. Tourism. All Chamber expenditures under this contract shall be expended in a manner directly enhancing and promoting tourism and the convention and hotel industry.
- C. Administrative Costs. The Chamber may expend money under this contract for day-to-day operations, supplies, salaries, office rental, travel expenses and other administrative costs only if those administrative costs are incurred directly in the promotion and servicing expenditures authorized above. The portion of the total administrative costs of the Chamber for which the revenues under this contract may be used may not exceed the administrative costs actually incurred in conducting those activities. § 351.102(f).

#### IV.

Independent Contractor. The Chamber is hired and engaged as an independent contractor, and is not an officer, agent, or employee of the City of Huntsville.

#### V.

Administration. The Chamber shall provide sufficient employees, office space, equipment, supplies and other materials as may be necessary to accomplish the purposes of this agreement.

#### VI.

- A. On or before July 1st each year, and prior to obtaining any occupancy tax funds, the Chamber shall submit to the City a proposed budget for the following twelve months beginning the next October 1st. The Chamber shall present to the City a detailed presentation including overview of projects completed and funds expended to date, anticipated projects and funds needed for the remainder of the year, an estimate of remaining funds at year end and a detailed budget request for the following year, outlining projects and expenditures. The Chamber may submit amendments to the budget if significant unforeseen changes in expenditures or revenues occur.
- B. The budget, or amendments to the budget, shall become effective upon approval by the City Council in writing.

#### VII.

Payments. The Director of Finance shall pay to the Chamber its annual budget in twelve monthly installments on the first day of each month; provided, however, that 1) the Director and the City Manager are authorized to make additional advances or lump sum payments specifically allocated as such in the Council approved budget; and 2) the Chamber shall return any funds not used in accordance with the approved annual budget by December 31 of the year following that budget.

#### VIII.

Indemnification. The Chamber agrees to indemnify, hold harmless and defend the City of Huntsville, Texas, its officers and employees from any and all claims, causes of action, and damages of every kind arising from the operations of the Huntsville-Walker County Chamber of Commerce, its officers, agents and employees carried out in furtherance of this agreement. The Chamber shall carry public liability insurance and automobile liability insurance.

#### IV.

Audit. During the term of this agreement, the City may, not more frequently than once each year, conduct an audit of the books, records and accounts of the Chamber for the purpose of determining whether the Chamber has complied with this agreement. The audit may be conducted by the auditor of the City of Huntsville or by an independent certified public accounting firm retained by the City, and shall be conducted at the sole expenses of the City. A written report shall be prepared containing the findings, and the report shall be filed with the City, and mailed to the Chamber.

#### X.

##### Reports.

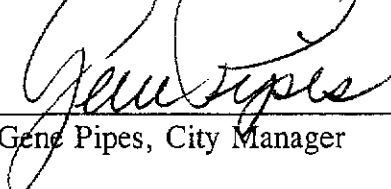
- (1) Monthly Reports. The Chamber agrees to provide to the City monthly reports including a monthly activity report, a monthly financial summary of the City contract funds, and revenue and expenditures to date summary report.  
§ 351.101(c).
- (2) Quarterly Reports. The Chamber agrees to meet with Council or its designated representatives quarterly to discuss ongoing activities related to tourism services, and to prepare recommendations for budget adjustments that may be necessary.
- (3) Annual Report. The Chamber agrees to provide to the City an annual report by November 15 of each year.

#### XI.

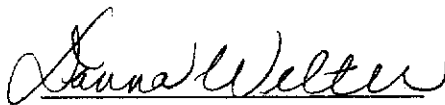
Term. This agreement amends and replaces an agreement between the City of Huntsville and the Chamber of Commerce dated January 9, 1990. This agreement shall take effect immediately and shall end September 30, 1996. This agreement shall automatically renew for successive one year periods (concurrent with the City's budget) unless the City gives notice to the Chamber of its intent to amend or cancel this agreement six months prior to the ending of any term.

Entered into this 26th day of July, 1994.

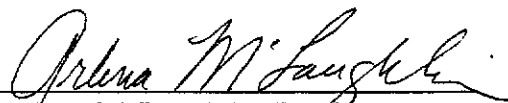
CITY OF HUNTSVILLE, TEXAS

  
Gene Pipes, City Manager

ATTEST:

  
Danna Welter, City Secretary

HUNTSVILLE-WALKER COUNTY  
CHAMBER OF COMMERCE

  
Arlena McLaughlin, President

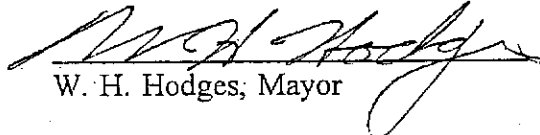
This document prepared and approved  
by Scott Bounds, City Attorney.

COUNTY OF WALKER §  
STATE OF TEXAS §

**AMENDMENT TO AGREEMENT BETWEEN THE CITY OF  
HUNTSVILLE AND THE HUNTSVILLE WALKER COUNTY  
CHAMBER OF COMMERCE DATED JULY 26, 1994.**

- A. The City and Chamber enter into this supplemental agreement regarding the operation and maintenance of visitors center. The City and Chamber both acknowledge that a visitors center to be operated under the agreement described above is being financed in part with tax exempt bonds issued by the City of Huntsville. Accordingly, the City and Chamber agree that all proceeds generated by or through the use of the Visitors Center shall be considered revenues of the City. The Chamber agrees to account for the revenues and expenditures of the visitors center separate from its other activities and projects. The City and Chamber agree to use the revenues generated by the project for the operation and use of the visitors center. Additionally, the Chamber agrees not to enter into any subcontract or enter into any management agreement related to the visitors center which would constitute private business use as provided by Section 141 of the Internal Revenue Code (Private Activity Bond; Qualified Bond) and any rules promulgated thereunder, including Rev. Proc. 93-19. In particular, the City and Chamber covenant not to enter into any contract in which the compensation is based upon a percentage of gross revenues, adjusted gross revenues or expenses of the visitors center, or for which the term exceeds three years.
- B. The City and Chamber agree that the City may during any City budget year advance to the Chamber up to \$30,000 from funds designated for tourism or visitor center operation as working capital for the purposes of this contract.


CITY OF HUNTSVILLE, TEXAS

  
W. H. Hodges, Mayor

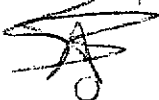
ATTEST:

  
Danna Welter, City Secretary

HUNTSVILLE-WALKER COUNTY  
CHAMBER OF COMMERCE

  
Arlena McLaughlin, President

This document prepared and approved  
by Scott Bounds, City Attorney.



COUNTY OF WALKER     §  
STATE OF TEXAS       §

**AMENDMENT TWO TO THE AGREEMENT BETWEEN THE CITY OF  
HUNTSVILLE AND THE HUNTSVILLE WALKER COUNTY CHAMBER OF  
COMMERCE DATED JULY 26, 1994.**

WHEREAS the City and Chamber have previously adopted one amendment to the agreement dated July 26, 1994; and

WHEREAS the City and Chamber want to amend the agreement to include donations and revenues related to the Stand with Sam program;

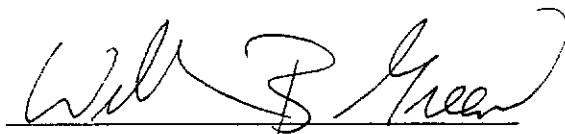
NOW, THEREFORE,

The City and Chamber reach this supplemental agreement regarding the operation and maintenance of the Sam Houston statue or site. The Chamber agrees to include within, or attached to, the proposed budgets submitted by the Chamber to the City for the operation and maintenance of the visitor's center and the management and supervision of programs and activities funded with revenue from the local hotel-motel occupancy tax, a recommended budget for funds generated by the "Stand with Sam" program, for funds generated by the sale of pavers for the improvements of the Sam Houston Statue or site. The funds not spent within the fiscal year will be accumulated and available for subsequent fiscal years' request.

This supplemental agreement shall become effective immediately upon its adoption by the City and Chamber, and shall in all other ways be considered a part of the agreement dated as July 26, 1994, as previously amended.

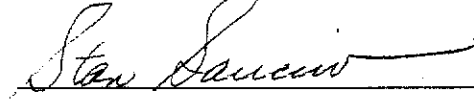
Executed this 3rd day of October, 1995.

THE CITY OF HUNTSVILLE, TEXAS



by William B. Green, Its Mayor

HUNTSVILLE-WALKER COUNTY  
CHAMBER OF COMMERCE



by Stan Saucier, Its President

Attest:



Danna Welter, City Secretary

This document prepared and approved by  
Scott Bounds, City Attorney

# HUNTSVILLE WALKER COUNTY

## CHAMBER OF COMMERCE

### MEMORANDUM

DATE: July 26, 1994

TO: Gene Pipes, City Manager ✓  
Scott Bounds, City Attorney

FROM: Dee McFarland, Executive Director

RE: Tourism Agreement/Visitor Center Budget

-----

Attached is the proposed budget for the operations of the Visitor Center & Gift Shop as we discussed. The board of directors of the Chamber voted on this budget and approved it as is, knowing that Article VI.A. of our proposed TOURISM AGREEMENT includes The Chamber may submit amendments to the budget if significant unforeseen changes in expenditures or revenues occur.

We ask that you propose this budget with the amended TOURISM AGREEMENT also approved by our board of directors so that we can immediately enter into services and initiate the program as it relates to the Visitor Center & Gift Shop. We are very anxious to begin work.

Additionally we request that we are designated to work with the Finance Committee and staff of the City in order to move forward on the details of the opening.

We will be present tonight if you have any questions.

We thank you for your efforts in regard to this agreement. This is a tremendous partnership.

**CITY COUNCIL APPROVED**

7-26-94 *L*





MEMORANDUM

DATE: July 25, 1994  
TO: Board of Directors  
FROM: Dee McFarland, Executive Director  
RE: Summary Notes...Sam Houston Visitor Center & Gift Shop

-----

These notes are summarized from recent conversations with both City Manager Gene Pipes and Scott Bounds.

In the agreement between the following terms have been discussed.

The City of Huntsville is responsible for:

- \* The maintenance of the grounds and the buildings, including landscaping and repairs.
- \* Security of the complex.
- \* Janitorial services.
- \* Water & Sewage

The Huntsville-Walker County Chamber of Commerce is responsible for:

- \* Upholding the terms of the TOURISM AGREEMENT.
- \* The initiation and operation of the Visitor Center and Gift Shop.

The present draft budget is subject to quarterly revisions for the first year of term with an annual budget to be submitted in July of '95 for the '96 year.

Other notes:

- In the financing of the statue building (by the city) the costs to furnish and equip the facilities have been factored.
- There is easily \$20,000-\$40,000 from occupancy tax reserve obtainable for the Chamber to purchase initial inventory. This would be a no interest loan.
- The Chamber of Commerce would request that it work closely with the Finance Committee of City Council, chaired by Dan Davis to work out necessary agreements and capital expenditures.